

**State Employee Benefits Committee
Tatnall Building, Room 112
Dover, Delaware 19904**

The State Employee Benefits Committee met March 26, 2018. The following people were in attendance:

Committee Members:

Mike Jackson, OMB, Chair
Saundra Johnson, DHR
Mike Morton, CGO
Evelyn Nestlerode, Designee of Chief Justice, Administrator of Courts
Nathan Roby, Designee of OST
Vince Ryan, Designee of DOI
Jeff Taschner, DSEA
Kara Walker, DHSS
Keith Warren, Designee of Lt. Governor

Guests:

Brenda Lakeman, Director, Statewide Benefits Office, DHR
Faith Rentz, Deputy Director, Statewide Benefits Office (SBO), DHR
Lisa Porter, SBO, DHR
Andrew Kerber, DOJ
Joanna Adams, Pensions
Victoria Brennan, CGO
Lisa Carmean, City of Milford
Cherie Dodge-Biron, DHR
Jamesha Eaddy, City of Milford
Jacqueline Faulcon, DRSPA

Guests (continued):

Larry Gabbert, Pensioner
Tim Harris, OMB, PHRST
Elizabeth Lewis, Hamilton Goodman Partners
Mary Kate McLaughlin, Drinker Biddle
George Schreppler, DCSN
Paula Roy, DCSN
Jim Testerman, DSEA-R

Katherine Impellizzeri, Aetna
Shari Sack, Aflac
Judy Grant, Health Advocate
Peg Eitl, Highmark
Lisa Mantegna, Highmark
Jennifer Mossman, Highmark
Pam Price, Highmark
Walt Mateja, IBM Watson Health
Kevin Fyock, Willis Towers Watson
Chris Giovannello, Willis Towers Watson
Jaclyn Iglesias, Willis Towers Watson
Rebecca Warnken, Willis Towers Watson

Introductions/Sign In

Director Jackson called the meeting to order at 2:01 p.m. Introductions were made.

Approval of Minutes - handout

The Director entertained a motion to approve the minutes from the February 26th SEBC meeting. Controller General Morton made the motion and Secretary Walker seconded the motion. The motion carried unanimously.

Director's Report – Brenda Lakeman, Statewide Benefits Office (SBO)

Medicare Part D Prescription Plan-90 day Narrow Maintenance Network – Express Scripts continues to work with a few of the independent pharmacies to join this network and we are looking into notifying any members impacted who may have changed pharmacies.

Cigna to acquire Express Scripts – Cigna released an announcement on March 8th to acquire our current Pharmacy Benefit Manager, Express Scripts (ESI) with anticipated to close acquisition by end of 2018. Business will remain as usual as Express Scripts will remain as a division within Cigna.

RFP's - The Centers of Excellence (COE) RFP posted today. SBO has begun to work with the WTW team on the RFP for disability services as current contract with Hartford expires June 30, 2019. SBO expects the first draft of this RFP in the next week or two and a current timeline of finalist interviews in October 2018 with an award recommendation to the SEBC at the December meeting. SBO will email committee members requesting to specify designees for both RFP's to be included on meeting invites and communications moving forward.

Financials

Fund Equity – (F&E) February 2018 – handout - Chris Giovannello, Willis Towers Watson (WTW)

February was a big rebate month as an uptick in revenues is shown with operating revenues at \$81.6M. It also proved to be a higher claim month with \$71.2M in claims versus the \$64.6M budget. Net income is \$7.3M with an ending F&E

balance of \$143.8M. The Reserve and Surplus continues to improve. An examination of the claims experience with a view through two full quarters of FY18 is expected at May's meeting.

Group Health FY19 Planning - handout - Willis Towers Watson (WTW)

Preventive medications update – with reference to the new vaccine, Shingrix, to immunize against shingles. Studies have shown Shingrix to be significantly more effective than Zostavax across all age groups, however ACIP members recommend evaluating one to two years of Shingrix safety data before endorsing it over Zostavax. Options were reviewed. WTW recommends SEBC to continue Zostavax coverage with no member cost sharing and wait to remove member cost sharing for Shingrix until the ACA mandated deadline of July 1, 2019. WTW to provide the costs on the age gap of ten years as the Shingrix vaccine is recommended for adults age 50 years and older where the Zostavax vaccine was recommended for adults age 60 year and older. With this same data, WTW to provide the number of members within this age range (50-60 years) and the female to male ratio. While there is no vote at this meeting, SEBC to further consider whether to approve with or without a copay. Concern expressed that members may not get the Shingrix vaccine if a copay is required.

GHIP member engagement strategy – WTW shared results of survey which focuses on strategies to boost health engagement in today's environment and in three years. Survey included companies with at least 1,000 employees in the Public Sector and Education industry. WTW was asked to provide the number of respondents or companies to determine value of the survey. The various strategies within this survey were reviewed. The survey revealed more than half of employers use financial incentives to boost health engagement. The uptake was very low among employees and spouses/dependents. The State's DelaWELL program, implemented in 2008, modified the incentive provisions periodically, ended due to budget restraints and a low 20% participation rate. An overview of an engagement surcharge for active employees who do not participate in the specified activity was shown. WTW to provide examples of non-engagement surcharge. Further dialogue ensued around engagement, the epilogue language, how to increase the employee's interest versus penalizing, and examine what is being done on a national level and surrounding states. SBO will provide data on the CareLink and Care Management models to view positive effect on the GHIP.

Public Comments

None

Other Business

None

Motions

Director Jackson announced the committee will move into Executive Session and return to public session with no other business to address and then requested a motion to move into Executive Session. Secretary Johnson made the motion and Secretary Walker seconded the motion. Motion carried unanimously. The Committee entered into Executive Session at 2:55 pm.

The Committee returned to public session where the Director asked for a motion to adjourn the meeting. Secretary Johnson made the motion. Controller General Morton seconded the motion. Motion carried unanimously. Meeting adjourned at 4:22 pm.

Respectfully submitted,

Lisa Porter
Executive Secretary
Statewide Benefits Office, DHR